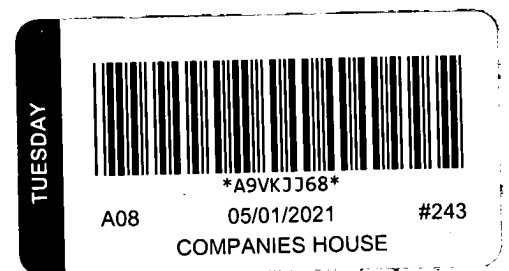


Virgin Hotels Group Limited

Annual Report and Financial Statements

2857671

31 December 2019



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Strategic Report

For the Period Ended 31 December 2019

Principal activities

The Company is principally an investment holding company. The Company and its subsidiaries own and operate a number of luxury hotels under the Virgin Limited Edition brand, including a Moroccan Kasbah, a Swiss ski lodge, villas in Mallorca and a game reserve in South Africa.

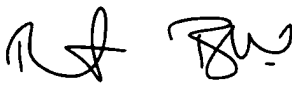
Principal risks and uncertainties

The Company's assets are primarily investments in the share capital of subsidiaries and the inter-company receivable balances. As such, its main risk is the impairment of these investments and receivables, and this is reviewed regularly.

Other key performance indicators

The results for the year show net credit administrative costs of £559,068 (March 2019: £100,793) as a result of the release of a provision raised against impairment of intercompany receivable with Ultraway Limited. The previous year's results include the release of a counter indemnity provision of £141,152 in respect of the guarantee in favour of Banque CIC (Suisse).

This report was approved by the board on 18 December 2020 and signed on its behalf by



R P Blok

Director
The Battleship Building
179 Harrow Road, London, W2 6NB

Directors' Report

The directors present their report and the financial statements for the 9-month accounting period (the "Period") ended 31 December 2019.

The accounting period was shortened from 31 March 2020 to 31 December 2019 to align with the Virgin Group accounting period.

Results and dividends

The profit for the year, after taxation, amounted to £453,680 (March 2019: £64,601).

The Directors do not propose to declare a dividend for the period ended 31 December 2019 (March 2019: nil).

Going Concern

The Company has adequate financial resources available to it and going forward no significant adverse changes are expected in relation to the value of its investments at this present time.

The directors have a reasonable expectation that the Company has adequate resources to continue in existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing these financial statements.

Directors

The directors who served during the year were:

R P Blok

M D Bridge

I P Woods (Appointed on 9 December 2019 as Alternate to M D Bridge)

Disclosure of information to auditors

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditor is unaware, and
- the directors have taken all the steps that ought to have been taken as a directors in order to be aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Auditor

Pursuant to section 487 of the Companies Act 2006, the auditors will be deemed to have been reappointed and KPMG LLP will therefore continue in office.

This report was approved by the board on 18 December 2019 and signed on its behalf by.



R P Blok

Director

The Battleship Building
179 Harrow Road, London, W2 6NB

Statement of Directors' Responsibilities in Respect of the Directors' Report and Financial Statements

For the Period Ended 31 December 2019

The directors are responsible for preparing the Strategic Report, the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice), including Financial Reporting Standard 101 'Reduced Disclosure Framework'.

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations or have no realistic alternative but to do so.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

Independent Auditor's report to the Members of Virgin Hotels Group Limited

Opinion

We have audited the financial statements of Virgin Hotels Group Limited (the "Company") for the Period ended 31 December 2019, which comprise the Statement of Comprehensive Income, Balance Sheet, Statement of Changes in Equity and related notes, including the accounting policies in note 1.

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2019 and of its profit for the period then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 101 Reduced Disclosure Framework; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis of opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the Company in accordance with UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going concern

The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the Company or to cease its operations, and as they have concluded that the Company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least a year from the date of approval of the financial statements. In our evaluation of the directors' conclusions, we considered the inherent risks to the Company's business model, including the impact of Brexit, and analysed how those risks might affect the Company's financial resources or ability to continue operations over the going concern period. We have nothing to report in these respects.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of reference to a material uncertainty in this auditor's report is not a guarantee that the Company will continue in operation.

Independent auditor's report to the Members of Virgin Hotels Group Limited (continued)

Strategic Report and Directors' Report

The directors are responsible for the strategic report and the directors' report. Our opinion on the financial statements does not cover those reports and we do not express an audit opinion thereon.

Our responsibility is to read the strategic report and the directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the strategic and the directors' report;
- in our opinion, the information given in those reports for the financial year is consistent with the financial statements; and
- in our opinion, those reports have been prepared in accordance with the Companies Act 2006.

Matters on which we are required to report by exception

Under the Companies Act 2006, we are required to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

We have nothing to report in these respects.

Directors' responsibilities

As explained more fully in their statement set out on page 4, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

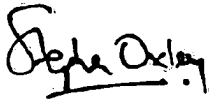
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

Independent auditor's report to the Members of Virgin Hotels Group Limited (continued)

The purpose of our audit work and to whom we owe our responsibilities

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members, as a body, for our audit work, for this report, or for the opinions we have formed.



Stephen Oxley (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
15 Canada Square
London
E14 5GL
Date:

Statement of Comprehensive Income

For the Period Ended 31 December 2019

		Period Ended Dec 2019	Year Ended Mar 19 (Restated)
	Note	£	£
Other Income		0	0
Administrative expenses		<u>559,068</u>	<u>100,793</u>
Operating profit	2	559,068	100,793
Interest receivable and similar income	5	13,234	104,384*
Interest payable and similar expenses	6	<u>(220,500)</u>	<u>(140,576)</u>
Profit before tax		351,802	64,601*
Tax on profit on ordinary activities	7	<u>101,878</u>	<u>-</u>
Profit for the financial year		453,680	64,601*
Other comprehensive income for the year		<u>-</u>	<u>-</u>
Total comprehensive Profit for the year		<u>453,680</u>	<u>64,601*</u>

*Refer to Note 1.1 for details of restatement

The notes on pages 12 to 24 form part of these financial statements.

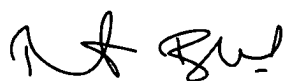
Balance Sheet

As at 31 December 2019

		Period Ended Dec 2019	Year Ended Mar 19 (Restated)
	Note	£	£
Fixed assets			
Investments	8	<u>22,197,850</u>	<u>22,197,850</u>
		22,197,850	22,197,850
Current assets			
Debtors: amounts falling due within one year	9	11,479,393	9,884,060*
Cash at bank and in hand		<u>2,674,281</u>	<u>6,422,573</u>
		14,153,674	16,306,633*
Creditors: amounts falling due within one year	10	<u>(6,240,156)</u>	<u>(8,846,795)*</u>
Net current assets		<u>7,913,518</u>	<u>7,459,838*</u>
Net assets		<u>30,111,368</u>	<u>29,657,688*</u>
Capital and reserves			
Called up share capital	11	-	-
Merger reserve		9,555,597	9,555,597
Profit and loss account		<u>20,555,770</u>	<u>20,102,091*</u>
		<u>30,111,368</u>	<u>29,657,688*</u>

*Refer to Note 1.1 for details of restatement

The financial statements were approved and authorised for issue by the board on 18 December 2020 and were signed on its behalf by:



R P Blok

Director

The notes on pages 12 to 24 form part of these financial statements.

Statement of Changes in Equity

For the Period Ended 31 December 2019

	<i>Called up share capital</i>	<i>Merger reserve</i>	<i>Profit & loss account</i>	<i>Total Equity</i>
	£	£	£	£
At Year Ended 31 March 2019	-	9,555,597	20,102,091*	29,657,688*
Comprehensive income for the year				
Profit for the year	-	-	453,680	453,680
Total comprehensive income for the year	-	-	453,680	453,680
Total transactions with owners	-	-	-	-
At Period Ended 31 December 2019	-	9,555,597	20,555,771	30,111,368

For the Year Ended 31 March 2019 (Restated)

	<i>Called up share capital</i>	<i>Merger reserve</i>	<i>Profit & loss account</i>	<i>Total Equity</i>
	£	£	£	£
At Year Ended 31 March 2018	-	9,555,597	20,037,490*	29,593,087*
Comprehensive income for the year				
Profit for the year	-	-	64,601*	64,601*
Total comprehensive income for the year	-	-	64,601*	64,601*
Total transactions with owners	-	-	-	-
At Year Ended 31 March 2019	-	9,555,597	20,102,091*	29,657,688*

*Refer to Note 1.1 for details of restatement

The notes on pages 12 to 24 form part of these financial statements.

Notes to the financial statements

1. Accounting policies

1.1 Basis of preparation of financial statements

Virgin Hotels Group Limited (the "Company") is a company incorporated and domiciled in the UK. The registered office address is The Battleship Building, 179 Harrow Road, London, W2 6NB, United Kingdom.

The Company is exempt by virtue of s400 of the Companies Act 2006 from the requirement to prepare group financial statements. These financial statements present information about the Company as an individual undertaking and not about its group.

The Company's intermediate parent, Virgin UK Holdings Limited, includes the Company in its consolidated financial statements. The consolidated financial statements of Virgin UK Holdings Limited are prepared in accordance with International Financial Reporting Standards as adopted by the EU and are available to the public and may be obtained from the address in note 14.

The financial statements have been prepared in accordance with Financial Reporting Standard 101 'Reduced Disclosure Framework' ("FRS 101") and the Companies Act 2006.

In preparing these financial statements, the Company applies the recognition, measurement and disclosure requirements of International Financial Reporting Standards as adopted by the EU ("Adopted IFRSs") but makes amendments where necessary in order to comply with Companies Act 2006 and has set out below where advantage of the FRS 101 disclosure exemptions has been taken.

In these financial statements, the Company has applied the exemptions under FRS 101 in respect of the following disclosures:

- the requirements of IAS 7 statement of cash flows and related notes;
- comparative period reconciliations for share capital;
- the requirements of IAS 24 related party disclosures in respect of wholly owned subsidiaries;
- the Requirements of IFRS 7 financial instruments disclosures; and
- the effects of new but not yet effective IFRSs.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

Judgements made by the directors, in the application of these accounting policies that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are discussed in note 1.14.

Prior Year Adjustment

In previous periods the Company had recognised an intercompany receivable from Ultraway Limited. The intercompany receivable had been impaired down to £1,116,397. In the prior period Ultraway Limited recognised a receivable from VEL which arose in earlier years for £2,476,164 which was not considered by VHGL when assessing the recoverable balance from Ultraway Limited.

Notes to the financial statements

1.1 Basis of preparation of financial statements (continued)

That receivable from Virgin Enterprises Limited was then given to the Company in partial settlement of their loan to Ultraway Limited. The Company had treated the £2,476,164 as settling receivable of £1,116,397, accrued interest of £531,717 and the excess was recognised as a creditor to Ultraway Limited for £828,050.

However, as the receivable from Ultraway Limited had previously been impaired, no creditor should have been recognised. In addition, based on Ultraway Limited's additional other net assets, an additional £721,799 should also have been considered recoverable on the loan to Ultraway Limited. The net effect of the above should have resulted in a reversal of an impairment prior to 1 April 2018.

As a result, intercompany payables have been reduced by £828,050, intercompany receivables have been increased by £721,799, retained earnings at 1 April 2018 have been increased by £2,045,545 and as comparative period interest receivable from group companies had previously been recognised on the gross receivable rather than the net receivable interest income is reduced by £495,696.

1.2 Adoption of new and revised standards

IFRS 16 Leases – effective for the Period ended 31 December 2019

IFRS 16 "Leases" is mandatory for the current accounting period. This standard replaces IAS 17 'Leases' and for the lessees eliminates the classifications of operating leases and finance leases. As the Company is not part to any leases, the adoption of IFRS 16 has had no impact on the financial statements.

IFRIC 23 Uncertainty Over Tax Treatments – effective for the Period ended 31 December 2019

The IASB's Interpretations Committee has issued IFRIC Interpretation 23 which clarifies the application of the recognition and measurement requirements in IAS 12 'Income Taxes' when there is uncertainty over income tax treatments. The Company has assessed the impact of the interpretation and it is not expected to have a significant impact on the Company's financial statements.

There were no other amendments to accounting standards, or IFRIC interpretations that are effective for the Period ended 31 December 2019 which have had any impact on the Company.

1.3 Going concern

The Directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future, given the net assets of the company and low level of expected costs over the next 12 months. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

In making this assessment, the Directors have considered the impact of Covid-19 pandemic on the company's hotels business which have been required to temporarily suspend operations as a result of necessary decisions taken by Governments in multiple jurisdictions.

1.4 Intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses

Notes to the financial statements

1. Accounting policies (continued)

1.5 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

1.6 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

1.7 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

1.8 Financial instruments

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the relevant instrument. In accordance with IFRS 9, financial instruments are recorded initially at fair value. Subsequent measurement of those instruments at the balance sheet date reflects the designation of the financial instrument. The Company determines the classification at initial recognition and re-evaluates this designation at each reporting date.

Financial assets and liabilities are offset, and the net amount presented in the statement of financial position when the Group has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Non-derivative financial assets

The Company has the following non-derivative financial assets:

Loans and receivables

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Loans and receivables are measured at amortised cost using the effective interest method, less any impairment losses.

Non-derivative financial liabilities

Non-derivative financial liabilities are initially recorded at fair value less directly attributable transaction costs, and subsequently at amortised cost using the effective interest method.

The Company has the following non-derivative financial liabilities: loans and borrowings, bank overdrafts and trade and other payables.

The Company derecognises financial liabilities when its contractual obligations are discharged, cancelled or expired.

Notes to the financial statements

1.8 Financial Instruments (continued)

Where an existing financial liability is replaced by another form from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a de-recognition of the original liability and the recognition of a new liability, such that the difference in the respective carrying amounts are recognised in profit or loss.

1.9 Creditors

Creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers.

Creditors are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

1.10 Foreign currency translation

Functional and presentation currency

The company's functional currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and nonmonetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Profit and Loss Account.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Profit and Loss Account within 'interest income or costs'. All other foreign exchange gains and losses are presented in the Profit and Loss Account within 'other comprehensive income'.

1.11 Interest income and expenses

Interest receivable and interest payable

Interest payable and similar charges include interest payable, finance charges on shares classified as liabilities and finance leases recognised in profit or loss using the effective interest method, unwinding of the discount on provisions, and net foreign exchange losses that are recognised in the profit and loss account (see foreign currency accounting policy). Borrowing costs that are directly attributable to the acquisition, construction or production of an asset that takes a substantial time to be prepared for use, are capitalised as part of the cost of that asset. Other interest receivable and similar income include interest receivable on funds invested and net foreign exchange gains.

Notes to the financial statements

1.11 Interest Income and expenses (continued)

Interest income and interest payable is recognised in profit or loss as it accrues, using the effective interest method. Foreign currency gains and losses are reported on a net basis.

1.12 Taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Profit and Loss Account, except that a change attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company operates and generates income.

1.13 Impairment

Financial assets (including trade and other debtors)

A financial asset not carried at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. For financial instruments measured at cost less impairment an impairment is calculated as the difference between its carrying amount and the best estimate of the amount that the Company would receive for the asset if it were to be sold at the reporting date. Interest on the impaired asset continues to be recognised through the unwinding of the discount. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

1.14 Accounting Estimates and Judgements

The preparation of the financial statements in conformity with FRS 101 requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from the estimates calculated.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

There are no accounting policies that are considered to be critical, because they either require a significant amount of management judgement or the results are material to the Company's financial statements.

Notes to the financial statements

2. Operating Profit

The operating profit is stated after charging:

	Period Ended Dec 2019 £	Year Ended Mar 19 £
Net release of provision for amounts due from related undertakings	563,868	141,152

3. Auditors' remuneration

	Period Ended Dec 2019 £	Year Ended Mar 19 £
Fees for the audit of the Company	14,845	30,364
	<u>14,845</u>	<u>30,364</u>

4. Directors' remuneration

Directors did not receive any remuneration during the year for the services to the Company (March 2019: nil).

5. Interest receivable and similar income

	Period Ended Dec 2019 £	Year Ended Mar 19 (Restated) £
Interest receivable from group companies	-	36,021*
Interest receivable from bank	13,234	248
Net foreign exchange gains	-	68,115
	<u>13,234</u>	<u>104,384*</u>

*Refer to Note 1.1 for details of restatement

Notes to the financial statements

6. Interest payable and similar expenses

	Period Ended Dec 2019 £	Year Ended Mar 19 £
Bank interest payable	6,113	15,739
Interest payable on loans from group undertakings	31,513	124,837
Net foreign exchange losses	182,874	-
	220,500	140,576

Notes to the financial statements

7. Taxation

	Period Ended Dec 2019	Year Ended Mar 2019 (Restated)
Corporation Tax	£	£
Corporation tax on profits for the year	(36,110)	-
Adjustment in respect of prior year	(65,768)	-
	(101,878)	-
Factors affecting tax charge for the year		

The tax assessed for the year is lower than (2019: lower than) the standard rate of corporation tax in the UK of 19% (2019 - 19%). The differences are explained below:

	Period Ended Dec 2019	Year Ended Mar 2019 (Restated)
	£	£
Profit on ordinary activities before tax	351,802	64,601*
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2018: 19%).	66,842	12,274*
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	6,083	200
Non taxable income	(109,035)	(9,944)*
Current year deferred income tax unrecognised	-	(2,530)
Adjustments in respect of current income tax of prior years	(65,768)	-
Total tax charge for the year	(101,878)	-

*Refer to Note 1.1 for details of restatement

The Company has not recognised deferred tax asset in respect of gross unused tax losses of £6,383,282 (March 2019: £6,431,744).

Notes to the financial statements

8. Fixed Assets Investment

	<i>Investments in subsidiary companies £</i>
Cost or valuation	
At 1 April 2019	22,197,850
Additions	-
At 31 December 2019	<u>22,197,850</u>
Impairment	
At 1 April 2019	-
At 31 December 2019	<u>-</u>
Net book value	
At 31 December 2019	<u>22,197,850</u>
At 31 March 2019	<u>22,197,850</u>

The Company has the following investments in subsidiaries:

Notes to the financial statements

8. Fixed Assets Investment (continued)

Subsidiary undertakings	Country of Registration	Holding	Class of shares
Virgin Sky Investments Limited The Battleship Building, 179 Harrow Road, London W2 6NB, United Kingdom	England & Wales	100%	Ordinary
Cairline Limited The Battleship Building, 179 Harrow Road, London W2 6NB, United Kingdom	England & Wales	100%	Ordinary
Ultraway Limited* ✦ The Battleship Building, 179 Harrow Road, London W2 6NB, United Kingdom	England & Wales	100%	Ordinary
LB Yacht Charter LLP* ✦ The Battleship Building, 179 Harrow Road, London W2 6NB, United Kingdom	England & Wales	97%	Membership Interests
VH (Spain) Limited The Battleship Building, 179 Harrow Road, London W2 6NB, United Kingdom	England & Wales	100%	Ordinary
Arenal & Dunas Resort SLU* Pau Claris 97, 4º 1ª, 08009, Barcelona, Spain	Spain	100%	Ordinary
Son Bunyola SLU* Pau Claris 97, 4º 1ª, 08009, Barcelona, Spain	Spain	100%	Ordinary
Son Creus SLU* Pau Claris 97, 4º 1ª, 08009, Barcelona, Spain	Spain	100%	Ordinary
Dinicero SLU* Pau Claris 97, 4º 1ª, 08009, Barcelona, Spain	Spain	100%	Ordinary
Ganson SLU* Pau Claris 97, 4º 1ª, 08009, Barcelona, Spain	Spain	100%	Ordinary
Zickner 5000 SLU* Pau Claris 97, 4º 1ª, 08009, Barcelona, Spain	Spain	100%	Ordinary
Rimdrax 5000 SLU* Pau Claris 97, 4º 1ª, 08009, Barcelona, Spain	Spain	100%	Ordinary
Exeter Property Holdings (Pty) Limited* 3 Solitaire, 73A Pretoria Avenue, Atholl 2196 South Africa	South Africa	100%	Ordinary

Notes to the financial statements

8. Fixed Assets Investment (continued)

Subsidiary undertakings	Country of Registration	Holding	Class of shares
Investment Facility Company Forty (Pty) Limited Ground Floor Building 6, Albury Office Park, Cnr Jans Snuts Avenue and Albury Road, Gauteng, 2196, South Africa	South Africa	100%	Ordinary
Ulusaba Game Farm (Pty) Limited (deregistered 14 February 2020)* Suite 501, The Pinnacle, 1 Parkin Street, Nelspruit, 1201, South Africa	South Africa	100%	Ordinary
Ulusaba Rock Lodge (Pty) Limited* Ground Floor Building 6, Albury Office Park, Cnr Jans Snuts Avenue and Albury Road, Gauteng, 2196, South Africa	South Africa	100%	Ordinary
Verbier Lodge SA Chemin de Plendazeu 3, 1936 Verbier, Switzerland	Switzerland	100%	Ordinary
Virgin Clubs Limited The Battleship Building, 179 Harrow Road, London W2 6NB, United Kingdom	England & Wales	100%	Ordinary
Virgin Hotels Maroc SA Kasbah Tamadot, Route D'Imlil, ASNI, Morocco	Morocco	100%	Ordinary

* Indirectly held investment

✚ companies have been struck off as of 17 September 2019

9. Debtors: amounts falling due within one year

	Period Ended Dec 2019 £	Year Ended Mar 2019 (Restated) £
Amounts owed by group undertakings	11,479,708	9,877,504*
Other debtors	(315)	4,723
Prepayments and accrued income	-	1,833
	11,479,393	9,884,060*

*Refer to Note 1.1 for details of restatement

Notes to the financial statements

10. Creditors: Amounts falling due within one year

	Period Ended Dec 2019 £	Year Ended Mar 2019 (Restated) £
Bank overdrafts	49,915	234,874
Trade creditors	-	-
Amounts owed to group undertakings	4,467,092	6,549,374*
Taxation and social security	77,761	77,761
Other creditors	1,622,722	1,946,481
Accruals and deferred income	22,665	38,305
	6,240,156	8,846,795*

*Refer to Note 1.1 for details of restatement

11. Share Capital

	Period Ended Dec 2019 £	Year Ended Mar 2019 £
Share classified as equity		
1 Ordinary share of £0.001 each	-	-

12. Related Party transactions

At 31 December 2019, the Company's ultimate parent undertaking was Virgin Group Holdings Limited, whose sole shareholder is Sir Richard Branson. The shareholder of Virgin Group Holdings Limited has interests directly or indirectly in certain other companies which are considered to give rise to related party disclosures under International Accounting Standard 24: Related Party Disclosures.

As a 100% owned subsidiary of Virgin Group Holdings Limited, the company has taken advantage of the exemption under FRS 101 Reduced Disclosure Framework, which enables it to exclude disclosures with Virgin Group Holdings Limited and its wholly owned subsidiaries.

The Company has taken advantage of the disclosure exemption available under FRS 101 and has therefore not disclosed remuneration of key management personnel.

Notes to the financial statements

13. Related Party transactions (continued)

During the year, the Company entered into the following transactions with related parties:

	Period Ended Dec 2019	Year Ended Mar 2019 (Restated)
	£	£
Interest receivable	-	36,021*
Interest payable	(31,513)	(124,837)
Receivables outstanding	11,479,706	9,877,504*
Payables outstanding	(4,467,092)	(6,549,374)*

*Refer to Note 1.1 for details of restatement

14. Controlling party

As at 31 December 2019, the Company's ultimate parent undertaking was Virgin Group Holdings Limited, a company incorporated in the British Virgin Islands.

The largest and smallest groups in which the results of the Company are consolidated are those for Virgin UK Holdings Limited and Virgin Holdings Limited companies which are registered in England and Wales. Copies of the group accounts for Virgin UK Holdings Limited and Virgin Holdings Limited can be obtained from Companies House Crown Way, Cardiff CF14 3UZ

15. Subsequent Events

Covid-19

The Covid-19 outbreak developed rapidly in 2020. To date, the business has not suffered any material impact from the actions taken by the Government in response to Covid-19.

Valuation of investments

It is not possible to estimate reliably the impact on the valuation of the Company's subsidiaries, associates and trade investments due to the current uncertainties which exist around the duration of travel restrictions and social distancing measures; consumer demand; access to government support; and the recovery of the global economy.